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**U.S. SUBMITS FRAMEWORK PROPOSAL AT WTO FOR OPENING SERVICES
MARKETS, USING INNOVATIVE NEGOTIATING APPROACHES**

The United States today put forward a far-reaching framework proposal for services negotiations. The paper was submitted in the WTO Council for Trade in Services, which serves as the WTO services negotiating body.

“Services are the infrastructure of today’s modern economy,” said United States Trade Representative Charlene Barshefsky. “The United States has a significant comparative advantage in services and our interests are served by removing foreign barriers to American service providers. Our goal in this negotiation will be to secure maximum market opening across a broad array of services sectors through a broadening and deepening of the services commitments of all WTO countries. As our framework proposals in agriculture and now services demonstrate, the United States is intent on setting the parameters and pace of negotiations in the WTO.”

These negotiations, mandated as part of the WTO’s “built-in agenda,” began earlier this year. The negotiations cover all services sectors, including financial services, telecommunications, express delivery, energy, environmental, professional services, and travel and tourism.

WTO Members agreed in May to a “roadmap” governing the first phase of the negotiations through March 2001, during which Members will submit negotiating proposals and conclude technical work. Today’s U.S. paper, the first submitted under the roadmap, provides a number of proposals on how the negotiations should be carried forward and what they should achieve.

The U.S. paper challenges all countries to undertake substantial services liberalization. It specifically proposes that:

- WTO countries use innovative negotiating approaches to achieve agreed negotiating objectives, including sector-specific "model schedules" of commitments.

- The starting point for negotiations reflect countries' trade-liberalization that has occurred since the end of the Uruguay Round, rather than the static "bound" commitments made in the Uruguay Round negotiations. This means that countries should not propose commitments less liberal than their current practice.
- Countries agree to a "standstill" for the duration of the negotiation; that is, not to apply any new trade-restrictive measures in services that would improve a country's negotiating position.
- The negotiations be concluded by December 2002.
- Given the complexity and changing nature of services, GATS commitments must become more comprehensive – encompassing more sectors – and be made more transparent.
- GATS classification should be improved to better reflect the reality of the marketplace.
- Developing countries should participate actively in the negotiations, both as parties seeking and as parties providing new GATS commitments.
- The U.S. proposal recognizes and affirms that governments must be able to continue to have the right to set high levels of protection for consumers, health, safety, and the environment. These governmental responsibilities must not be diminished in the GATS negotiations.

The United States anticipates submitting additional papers later in the year setting out substantive proposals for services trade liberalization in specific sectors.